

**Company Registration No. 01104592 (England and Wales)**

**LEGSUN LIMITED**

**ANNUAL REPORT AND FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED 31 DECEMBER 2017**

# LEGSUN LIMITED

## COMPANY INFORMATION

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<b>Directors</b>	Mr T A Lowe Mr N C Down	(Appointed 12 March 2018)
<b>Secretary</b>	Mr T A Lowe	
<b>Company number</b>	01104592	
<b>Registered office</b>	Unit F Copse Walk Cardiff Gate Business Park Pontprennau Cardiff UK CF23 8RB	
<b>Auditor</b>	MHA Broomfield Alexander Charter Court Phoenix Way Enterprise Park SWANSEA UK SA7 9FS	

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# LEGSUN LIMITED

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# LEGSUN LIMITED

## DIRECTORS' REPORT

### FOR THE YEAR ENDED 31 DECEMBER 2017

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The directors present their annual report and financial statements for the year ended 31 December 2017.

#### Principal activities

The principal activity of the company in the year under review was that of electrical contracting services.

#### Directors

The directors who held office during the year and up to the date of signature of the financial statements were as follows:

Mr T A Lowe	
Mr G Moss	(Retired 31 January 2018)
Mr R Jones	(Retired 12 March 2018)
Mr N C Down	(Appointed 12 March 2018)

#### Results and dividends

The results for the year are set out on page 5. No dividends dividends will be distributed for the year ended 31 December 2017.

#### Auditor

The auditor, MHA Broomfield Alexander, is deemed to be reappointed under section 487(2) of the Companies Act 2006.

#### Statement of directors' responsibilities

The directors are responsible for preparing the Strategic Report, Directors Report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice. Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards comprising FRS 102 have been followed, subject to any material departures disclosed and explained in the financial statements;
- notify its shareholders in writing about the use of disclosure exemptions, if any, of FRS 102 used in the preparation of financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

#### Statement of disclosure to auditor

So far as each person who was a director at the date of approving this report is aware, there is no relevant audit information of which the company's auditor is unaware. Additionally, the directors individually have taken all the necessary steps that they ought to have taken as directors in order to make themselves aware of all relevant audit information and to establish that the company's auditor is aware of that information.

## **LEGSUN LIMITED**

### **DIRECTORS' REPORT (CONTINUED)**

***FOR THE YEAR ENDED 31 DECEMBER 2017***

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#### **Going concern**

The company has received a letter of support in relation to the going concern basis from Dawnus Group Limited (company number: 08670888), stating that it is their intention to provide any necessary support, to enable the company to meet its liabilities as and when they fall due for a period of no shorter than 12 months from the date of signing these financial statements.

This report has been prepared in accordance with the provisions applicable to companies entitled to the small companies exemption.

On behalf of the board

Mr N C Down

**Director**

27 June 2018

# **LEGSUN LIMITED**

## **INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF LEGSUN LIMITED**

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### **Opinion**

We have audited the financial statements of Legsun Limited (the 'company') for the year ended 31 December 2017 which comprise the Statement of Comprehensive Income, the Balance Sheet and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 December 2017 and of its loss for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

### **Basis for opinion**

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### **Conclusions relating to going concern**

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the directors' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the directors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

### **Other information**

The directors are responsible for the other information. The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

### **Opinions on other matters prescribed by the Companies Act 2006**

In our opinion, based on the work undertaken in the course of our audit:

- the information given in the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Directors' Report has been prepared in accordance with applicable legal requirements.

## **LEGSUN LIMITED**

### **INDEPENDENT AUDITOR'S REPORT (CONTINUED) TO THE MEMBERS OF LEGSUN LIMITED**

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#### **Matters on which we are required to report by exception**

In the light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified material misstatements in the Directors' Report.

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or
- the directors were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies' exemption in preparing the Directors' Report and take advantage of the small companies exemption from the requirement to prepare a Strategic Report.

#### **Responsibilities of directors**

As explained more fully in the Directors' Responsibilities Statement, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

#### **Auditor's responsibilities for the audit of the financial statements**

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: <http://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

**James Edward Dobson BSc(Hons) FCA (Senior Statutory Auditor)**  
for and on behalf of MHA Broomfield Alexander

27 June 2018

**Chartered Accountants**  
**Statutory Auditor**

Charter Court  
Phoenix Way  
Enterprise Park  
SWANSEA  
UK  
SA7 9FS

## LEGSUN LIMITED

### STATEMENT OF COMPREHENSIVE INCOME

FOR THE YEAR ENDED 31 DECEMBER 2017

	Notes	2017 £'000	2016 £'000
Turnover		9,298	17,496
Cost of sales		(12,440)	(17,819)
<b>Gross loss</b>		<b>(3,142)</b>	<b>(323)</b>
Administrative expenses		(1,093)	(851)
<b>Operating loss</b>	<b>3</b>	<b>(4,235)</b>	<b>(1,174)</b>
Interest payable and similar expenses		(10)	(2)
<b>Loss before taxation</b>		<b>(4,245)</b>	<b>(1,176)</b>
Tax on loss	<b>5</b>	98	(8)
<b>Loss for the financial year</b>		<b>(4,147)</b>	<b>(1,184)</b>

The statement of comprehensive income has been prepared on the basis that all operations are continuing operations.



# LEGSUN LIMITED

## BALANCE SHEET

AS AT 31 DECEMBER 2017

		2017		2016	
	Notes	£'000	£'000	£'000	£'000
<b>Fixed assets</b>					
Tangible assets	6		117		145
<b>Current assets</b>					
Debtors	7	10,320		6,295	
<b>Creditors: amounts falling due within one year</b>	8	(16,131)		(7,987)	
<b>Net current liabilities</b>			(5,811)		(1,692)
<b>Total assets less current liabilities</b>			(5,694)		(1,547)
<b>Capital and reserves</b>					
Profit and loss reserves			(5,694)		(1,547)

These financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies' regime.

The financial statements were approved by the board of directors and authorised for issue on 27 June 2018 and are signed on its behalf by:

Mr N C Down  
Director

Company Registration No. 01104592

# LEGSUN LIMITED

## NOTES TO THE FINANCIAL STATEMENTS

**FOR THE YEAR ENDED 31 DECEMBER 2017**

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### **1 Accounting policies**

#### **Company information**

The principal activity of the company is that of electrical contracting.

The company is a private limited company limited by shares and incorporated in England and Wales. The registered office is Unit 7 Dyffryn Court, Riverside Business Park, Swansea Vale, SWANSEA, UK, SA7 0AP.

#### **1.1 Accounting convention**

These financial statements have been prepared in accordance with FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" ("FRS 102") and the requirements of the Companies Act 2006 as applicable to companies subject to the small companies regime. The disclosure requirements of section 1A of FRS 102 have been applied other than where additional disclosure is required to show a true and fair view.

The financial statements are prepared in sterling, which is the functional currency of the company. Monetary amounts in these financial statements are rounded to the nearest £'000.

The financial statements have been prepared under the historical cost convention. The principal accounting policies adopted are set out below.

This company is a qualifying entity for the purposes of FRS 102, being a member of a group where the parent of that group prepares publicly available consolidated financial statements, including this company, which are intended to give a true and fair view of the assets, liabilities, financial position and profit or loss of the group. The company has therefore taken advantage of exemptions from the following disclosure requirements:

- Section 4 'Statement of Financial Position' – Reconciliation of the opening and closing number of shares;
- Section 7 'Statement of Cash Flows' – Presentation of a statement of cash flow and related notes and disclosures;
- Section 33 'Related Party Disclosures'

The financial statements of the company are consolidated in the financial statements of Dawnus Group Limited. These consolidated financial statements are available from its registered office - Unit 7, Dyffryn Court, Riverside Business Park, Swansea Vale, Swansea, UK, SA7 0AP.

#### **1.2 Going concern**

The company has received a letter of support in relation to the going concern basis from Dawnus Group Limited (company number: 08670888), stating that it is their intention to provide any necessary support, to enable the company to meet its liabilities as and when they fall due for a period of no shorter than 12 months from the date of signing these financial statements.

The directors have reviewed the balance sheet, the likely future cash flows of the business and have considered the facilities that are in place at the date of signing the report. The directors have concluded, based on this review, that it is appropriate to prepare the financial statements on a going concern basis.

# LEGSUN LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2017

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### 1 Accounting policies (Continued)

#### 1.3 Turnover

Turnover is recognised at the fair value of the consideration received or receivable for goods and services provided in the normal course of business, and is shown net of VAT and other sales related taxes. The fair value of consideration takes into account trade discounts, settlement discounts and volume rebates.

Long term contract balances are assessed on a contract by contract basis and are reflected in the statement of comprehensive income as contract activity progresses. Any expected losses on long term contract balances are recognised immediately and are written off to the statement of comprehensive income. Where it is considered that the outcome of a long term contract can be assessed with reasonable certainty before its conclusion, the prudently calculated attributable profit is recognised in the statement of comprehensive income as the difference between reported turnover and related costs for that contract.

On short term contracts turnover and profits are recognised when invoices are raised for certified work undertaken.

The amount by which recorded turnover is in excess of payments on account is classified as "amounts recoverable on contracts" and separately disclosed within debtors. Where payments are in excess of recognised turnover, the excess is included as "payments on account".

#### 1.4 Tangible fixed assets

Tangible fixed assets are initially measured at cost and subsequently measured at cost or valuation, net of depreciation and any impairment losses.

Depreciation is provided at the following annual rates in order to write off each asset over its estimated useful life.

Land and buildings	2% straight line
Plant and machinery	25% reducing balance

The gain or loss arising on the disposal of an asset is determined as the difference between the sale proceeds and the carrying value of the asset, and is credited or charged to profit or loss.

The directors undertake reviews of the carrying value of fixed assets when trigger events occur and make such provisions for impairment as they consider necessary.

#### 1.5 Impairment of fixed assets

At each reporting period end date, the company reviews the carrying amounts of its tangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where it is not possible to estimate the recoverable amount of an individual asset, the company estimates the recoverable amount of the cash-generating unit to which the asset belongs.

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset is estimated to be less than its carrying amount, the carrying amount of the asset is reduced to its recoverable amount. An impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the impairment loss is treated as a revaluation decrease.

# LEGSUN LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2017

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### 1 Accounting policies (Continued)

#### 1.6 Construction contracts

Where the outcome of a construction contract can be estimated reliably, revenue and costs are recognised by reference to the stage of completion of the contract activity at the reporting end date. Variations in contract work, claims and incentive payments are included to the extent that the amount can be measured reliably and its receipt is considered probable.

When it is probable that total contract costs will exceed total contract turnover, the expected loss is recognised as an expense immediately.

Where the outcome of a construction contract cannot be estimated reliably, contract costs are recognised as expenses in the period in which they are incurred and contract revenue is recognised to the extent of contract costs incurred where it is probable that they will be recoverable.

The "percentage of completion method" is used to determine the appropriate amount to recognise in a given period. The stage of completion is measured by the proportion of contract costs incurred for work performed to date compared to the estimated total contract costs. Costs incurred in the year in connection with future activity on a contract are excluded from contract costs in determining the stage of completion. These costs are presented as stocks, prepayments or other assets depending on their nature, and provided it is probable they will be recovered.

Bank interest accruing on capital borrowed to fund the production of long term contracts is carried forward within long term contract balances.

#### 1.7 Cash and cash equivalents

Cash at bank and in hand are basic financial assets and include cash in hand, deposits held at call with banks, other short-term liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities.

#### 1.8 Financial instruments

The company has chosen to adopt Section 11 and 12 of FRS 102 in respect of financial instruments.

##### ***Fair value measurement of financial instruments***

Cash and cash equivalents includes cash in hand, deposits held at call with banks, and other short term highly liquid investments with original maturities of three months or less and bank overdrafts. Banks overdrafts, when applicable are shown within borrowings in current liabilities.

##### ***Basic financial assets***

Basic financial assets, which include trade and other payables and loans to fellow group companies, are initially measured at transaction price unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest.

Such assets are subsequently carried at amortised costs using the effective interest method.

# LEGSUN LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2017

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### 1 Accounting policies (Continued)

#### *Impairment of financial assets*

At the end of each reporting period financial assets measured at amortised costs are assessed for objective evidence of impairment. If an asset is impaired the impairment loss is the difference between the carrying amount and the present value of the estimated cash flows discounted at the asset's original effective interest rate.

If there is a decrease in the impairment loss arising from an event occurring after the impairment was recognised, the impairment is reversed. The reversal is such that the current carrying amount does not exceed what the carrying amount would have been had the impairment not previously been recognised in the profit or loss,

#### *Derecognition of financial assets*

Financial assets are derecognised when (a) the contractual rights to the cash flows from the asset expire or are settled, or (b) substantially all the risks and rewards of ownership of the asset are transferred to another party, or (c) despite having retained some significant risks and rewards of ownership, control of the asset has been transferred to another party who has the practical ability to unilaterally sell the asset to an unrelated third party without imposing additional restrictions.

#### *Classification of financial liabilities*

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest in the assets of the company after deducting all of its liabilities.

#### *Basic financial liabilities*

Basic financial liabilities, including trade and other payables and loans from fellow group companies are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future receipts discounted at a market rate of interest.

Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

#### *Other financial liabilities*

Trade payables are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Accounts payable are classified as current liabilities if payment is due within one year or less. If not, they are non-current liabilities. Trade payables are initially recognised at transaction price and subsequently measured at amortised costs using the effective interest method.

### 1.9 Equity instruments

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of new ordinary shares are shown in equity as a deduction, net of tax, from the proceeds.

### 1.10 Taxation

Taxation expense for the period comprises current and deferred tax recognised in the reporting period. Tax is recognised in the consolidated statement of comprehensive income except to the extent that it relates to items recognised directly in equity.

Current or deferred taxation assets and liabilities are not discounted.

# LEGSUN LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2017

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### 1 Accounting policies (Continued)

#### **Current tax**

The tax currently payable is based on income tax payable in respect of the taxable profit for the year or prior years. Tax is calculated in the basis of tax rates and laws that have been enacted or substantially enacted by the period end.

Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

#### **Deferred tax**

Deferred tax liabilities is recognised for all timing differences that have originated but not reversed at the balance sheet date, where transactions or events that result in an obligation to pay more tax in the future or a right to pay less tax in the future have occurred at that date.

A net deferred tax asset is recognised only when, on the basis of all available evidence it can be regarded as more likely than not that there will be sustainable taxable profits against which to recover carried forward tax losses and/or from which the future reversal of underlying timing differences can be deducted.

Deferred tax is measured at the average tax rates that are expected to apply in the periods in which the timing differences are expected to reverse based on tax rates and laws that have been enacted or substantially enacted by the balance sheet date.

### 2 Judgements and key sources of estimation uncertainty

Estimates and judgments are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

In the application of the company's accounting policies, the directors are required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised where the revision affects only that period, or in the period of the revision and future periods where the revision affects both current and future periods.

#### **Key sources of estimation uncertainty**

The estimates and assumptions which have a significant risk of causing a material adjustment to the carrying amount of assets and liabilities are as follows.

#### **Deferred taxation**

Tax losses within the UK are available to be utilised against future profits. The Directors have taken the decision to recognise in full the deferred tax asset relating to tax losses of the UK business.

#### **Depreciation of fixed assets**

The estimates and underlying assumptions applied to determine depreciation are reviewed on an on-going basis. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant.

## LEGSUN LIMITED

### NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2017

#### 2 Judgements and key sources of estimation uncertainty (Continued)

##### *Long term contract accounting*

The estimates and associated assumptions used to determine contract provisions are based on knowledge of individual contracts and other factors that are considered to be relevant. Actual results may differ from these estimates. The estimates and underlying assumptions are reviewed continuously.

#### 3 Operating loss

	2017 £'000	2016 £'000
Operating loss for the year is stated after charging/(crediting):		
Fees payable to the company's auditor for the audit of the company's financial statements	2	1
	<u>2</u>	<u>1</u>

#### 4 Employees

No persons other than the Directors were employed during the year or the prior year. The directors did not receive any emoluments from the company in respect of qualifying services either in 2017 or 2016.

The emoluments of the directors are paid by other companies within the group. Each of the directors are directors of the parent company and a number of fellow subsidiaries and it is not possible to make an accurate apportionment of their emoluments in respect of each of the subsidiaries. Accordingly, no emoluments in respect of the directors are disclosed within these financial statements.

#### 5 Taxation

	2017 £'000	2016 £'000
<b>Current tax</b>		
Adjustments in respect of prior periods	(5)	-
	<u>(5)</u>	<u>-</u>
<b>Deferred tax</b>		
Origination and reversal of timing differences	(93)	8
	<u>(93)</u>	<u>8</u>
Total tax charge	<u>(98)</u>	<u>8</u>

# LEGSUN LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2017

### 5 Taxation (Continued)

The actual (credit)/charge for the year can be reconciled to the expected credit for the year based on the profit or loss and the standard rate of tax as follows:

	2017 £'000	2016 £'000
Loss before taxation	(4,245)	(1,176)
Expected tax charge based on a corporation tax rate of 19.25% (2016 - 20.00%)	(817)	(235)
Adjustments in respect of prior years	8	-
Group relief	709	243
Tax at marginal rate	2	-
Tax expense for the year	(98)	8

### 6 Tangible fixed assets

	Land and buildings £'000	Plant and machinery etc £'000	Total £'000
<b>Cost</b>			
At 1 January 2017 and 31 December 2017	55	198	253
<b>Depreciation and impairment</b>			
At 1 January 2017	17	91	108
Depreciation charged in the year	1	27	28
At 31 December 2017	18	118	136
<b>Carrying amount</b>			
At 31 December 2017	37	80	117
At 31 December 2016	38	107	145



# LEGSUN LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2017

<b>7 Debtors</b>	<b>2017</b>	<b>2016</b>
	<b>£'000</b>	<b>£'000</b>
<b>Amounts falling due within one year:</b>		
Trade debtors	7	210
Amounts due from group undertakings	6,971	-
Other debtors	3,153	5,990
	<u>10,131</u>	<u>6,200</u>
Deferred tax asset (note 10)	189	95
	<u>10,320</u>	<u>6,295</u>
	<u><u>10,320</u></u>	<u><u>6,295</u></u>
<b>8 Creditors: amounts falling due within one year</b>	<b>2017</b>	<b>2016</b>
	<b>£'000</b>	<b>£'000</b>
Loans and overdrafts	53	83
Trade creditors	1,374	2,244
Amounts due to group undertakings	13,280	5,585
Corporation tax payable	-	5
Other taxation and social security	22	-
Other creditors	1,402	70
	<u>16,131</u>	<u>7,987</u>
	<u><u>16,131</u></u>	<u><u>7,987</u></u>
<b>9 Loans and overdrafts</b>	<b>2017</b>	<b>2016</b>
	<b>£'000</b>	<b>£'000</b>
Bank overdrafts	53	83
	<u>53</u>	<u>83</u>
Payable within one year	53	83
	<u>53</u>	<u>83</u>
	<u><u>53</u></u>	<u><u>83</u></u>

Bank borrowings are secured by a first legal mortgage over long leasehold office premises and on debentures over the company's assets. In addition the bank borrowings are secured by a cross guarantee given by other group companies.

The bank loan is repayable in instalments at 1.45% over the bank base rate.

# LEGSUN LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2017

### 10 Deferred taxation

Deferred tax assets and liabilities are offset where the company has a legally enforceable right to do so. The following is the analysis of the deferred tax balances (after offset) for financial reporting purposes:

	<b>Assets 2017 £'000</b>	<b>Assets 2016 £'000</b>
<b>Balances:</b>		
ACAs	189	95
	<u>          </u>	<u>          </u>
<b>Movements in the year:</b>		<b>2017 £'000</b>
Liability/(Asset) at 1 January 2017		(95)
Credit to profit or loss		(94)
		<u>          </u>
Liability/(Asset) at 31 December 2017		(189)
		<u>          </u>

There were no deferred tax movements in the year.

### 11 Share capital

	<b>2017 £'000</b>	<b>2014 £'000</b>
<b>Authorised</b>		
49 Ordinary A of £1 each	49	49
1 Ordinary B of £1 each	1	1
2 Ordinary C of £1 each	2	2
	<u>          </u>	<u>          </u>
	52	52
	<u>          </u>	<u>          </u>

The ordinary A shares hold full rights in respect of voting and entitle the holder to fully participate in equity distributions in the event of a winding up of the Company. The shares may be considered by the Directors when considering dividends.

The ordinary B shares hold full rights in respect of voting but does not entitle the holder to fully participate in equity distributions in the event of a winding up of the Company. The shares may be considered by the Directors when considering dividends.

The ordinary C shares hold full rights in respect of voting and entitle the holder to fully participate in equity distributions in the event of a winding up of the Company. The shares may be considered by the Directors when considering dividends.

## **LEGSUN LIMITED**

### **NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**

***FOR THE YEAR ENDED 31 DECEMBER 2017***

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#### **12 Ultimate controlling party**

The immediate parent company is Dawnus Developments Limited, which is 100% owned by Dawnus Group Limited.

The parent company and controlling party is Dawnus Group Limited, which is the parent company of the largest and smallest group to consolidate these financial statements.

The directors do not consider there to be an ultimate controlling party of the group.

Copies of Dawnus Group Limited consolidate financial statements can be obtained from the company's registered office - Unit 7 Dyffryn Court, Riverside Business Park, Swansea Vale, Swansea, SA7 0AP.

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